

DR. NINO GALLONI

## The Sicily-Tunisia Tunnel: Link to Africa

*Italian economist Dr. Nino Galloni spoke on the topic, "The Sicily-Tunisia Tunnel and the Extension of the Eurasian Land-Bridge into Africa," at a Schiller Institute conference in Germany, Sept. 15, 2007.*

The Italian Agency for Alternative Energies (ENEA) and the Sicilian Regional government have recently presented a feasibility study concerning underground and underwater segments of up to 60 kilometers, for a tunnel across the Channel of Sicily, connecting Italy with Tunisia. Therefore, in the case under examination, researchers have suggested the construction of four intermediate islands which will be built with the excavated material; in this manner, the cost of waste disposal will also be reduced. In addition, the four islands would represent a financial asset in the operation, because they can be utilized for stocking the local sea fauna and selective fishing, as well as for quality tourism.

The plan takes on particular value if it is better integrated into the network of global infrastructure going from the Bering Strait (connecting the Americas to Asia and, therefore, to Europe), to the Mediterranean and Africa; those infrastructure networks also include the bridge over the Messina Strait and the Gibraltar tunnel between Spain and Morocco (ca. 37.8 km). In this way, there would be uninterrupted circulation of means of transport of goods and passengers along the Mediterranean coast, going through Italy, France, Spain, Morocco, Algeria, Libya, Tunisia, and, of course, all of the bordering countries.

The financial plan based on the estimation of costs performed by the ENEA researchers calls for 20 billion euros [ca. \$28 billion], and proposes to

collect the money through advanced sales of tolls which, once the project is finished, can be resold, used, or transformed into shares of the state-run, or mixed public-private firm that runs or owns the infrastructure. According to the same researchers, the presence of the four islands will allow for reducing finishing costs even under the projected ten years, as each section can be reduced to only 30 km.



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Any shares or tolls will be issued for a price of 100 euros (it should double in ten years), and applied to the equivalent of one medium-tonnage truck. Considering a transit frequency of one truck every five seconds, in both directions, for 20 hours a day, you have 20 billion euros to be amortized over 40 years at constant value, but in half the indicated

time, if the values or prices of tolls double every ten years; of which, the initial ten years coincide with the completion of the work, and the next ten years with the first decade of activity. Therefore, the project seems to be sustainable, and governments can ask private investors for money, or issue currency that will not create inflation, exactly because it will start to generate income ten years later. (Thus, one could also choose to consolidate currently circulating short- to medium-term speculative financial instruments at high risk of insolvency, and instead spread them out in a project which is long term, real, and generates income.)

States and governments can maintain majority control and raise funds through the methods described above, not forgetting that a significant portion of income will be generated by the management of the islands for fishing and tourism, which on both the Sicilian and Tunisian sides, already have an ancient and deep-rooted tradition.